

From: [Richmond, Tom](#)
To: [Mike Lang](#)
Subject: RE: HB 431 and 406
Date: Tuesday, February 19, 2013 8:29:00 AM

Rep. Lang, I don't have any "official" advice...my Board doesn't do anything with surface damages and we have been dealing with forced pooling mostly due to concerns about how "unlocatable" mineral owner interests are treated. The Board doesn't have a position on either bill. We did discuss the forced pooling bill at our meeting last week, but didn't really get a consensus.

I did have a chance to discuss the proposals with some industry people, and they are concerned about raising the royalty rate for unleased mineral owners as there apparently are some pretty substantial interests that would not lease if there was better return from the guaranteed royalties than the 1/8th in current law. These are the "professional" royalty owners they mentioned in testimony. I know of several of these owners –the railroad checkerboard has been a problem and the outfit that has minerals acquired from depression era loans is also out there. I thought the penalty was the big problem, but it seems the royalty rate is what they see as a bigger problem. There is no magic in the penalty numbers...50% of tangible costs could be 75% and 100% of intangibles could be 150%...the current statute is 100% of tangibles and 200% of intangibles, so anything less is a reduction. The problem is that if there is a big enough unleased interest, operators will not be able to carry the extra non-participants and will not drill wells. There is also the problem of carrying non-consenting partners in future operations –new infill wells and work over operations for example. Most companies would rather lease these folks than have a raft of non-industry partners forevermore. Unfortunately we get spoiled by the relatively lower risk Bakken development which makes the current law seem unfair, but this statute has actually worked pretty well across the state and has worked regardless of the particular development being pursued.

The surface owner damage thing is tough, because the principle problem seems to be the desire of landowners to get annual payments instead of a lump sum. The highest and best use and "proposed use" seem ambiguous to me, but it also seems that the new language doesn't really address what they actually want –annual rent. I think the sponsor wants to get the damage estimate away from what now seems to be based totally on agricultural values and allow for industrial or other uses to be part of the damage estimate. I am not sure the current law precludes damage estimates based on other-than-current land use, but maybe it does. If it were me, I would hesitate to remodel a statute in a way that doesn't actually fix what people see as the problem, and adds ambiguity to something that has its fair share of ambiguity to start with! Perhaps some language that indicates damages may be based on current uses or for those uses reasonably expected to exist during the life of the well. (or something like that).

Hopes this helps..if you want to visit about it, my cell is 406-698-4842 and the office is 656-0040 in Billings.

Tom Richmond

From: Mike Lang [mailto:rep.mlang@legmt.gov]
Sent: Monday, February 18, 2013 12:43 PM
To: Richmond, Tom
Subject: HB 431 and 406

Mr. Richmond,

I was great to meet you last Friday. Please offer advice on these bill and the financial pro and can you see if implemented. Thank you

--

Representative Mike L Lang
Montana House District 35
Serving North Phillips & Valley Counties
State Capitol, PO Box 200400
Helena, MT 59620-0400
406-444-4800

From: [Richmond, Tom](#)
To: [Dave](#)
Subject: RE: 431 and 406
Date: Tuesday, February 19, 2013 9:03:00 AM

Larry is good..Loren has stage 4 colon cancer, but is still kicking –he was watching hearing on TV and called Larry here-- telling him he needs to fire Austin!!

From: Dave [<mailto:dave@montanapetroleum.org>]
Sent: Tuesday, February 19, 2013 8:59 AM
To: Richmond, Tom
Subject: Re: 431 and 406

How is Larry.?

Sent from my iPhone

On Feb 19, 2013, at 8:53 AM, "Richmond, Tom" <trichmond@mt.gov> wrote:

[Jim Halvorson](#) on Friday..

From: Dave [<mailto:dave@montanapetroleum.org>]
Sent: Tuesday, February 19, 2013 8:52 AM
To: Richmond, Tom
Subject: Re: 431 and 406

Whose Jim Friday ?

Sent from my iPhone

On Feb 19, 2013, at 8:34 AM, "Richmond, Tom" <trichmond@mt.gov> wrote:

Larry O'Toole sat with Jim Friday and watched the law partner's performance during these two hearings on the Internet in Jim's office....said law partner maybe hanging out his own shingle pretty soon!....Larry said almost all of the people testifying in favor were relatives of the Representative....O'Toole Law Firm not pleased.

I responded to Lang this morning with an email....

Tom Richmond
Administrator - Board of Oil and Gas Billings
406 656-0040

From: [Richmond, Tom](#)
To: [Dave](#)
Subject: RE: SB295, (Kaufmann) Eliminate oil & gas "tax holiday" and provide money for impacts and renewables
Date: Tuesday, February 12, 2013 9:11:00 AM
Attachments: [image001.png](#)
[image002.png](#)

Karen at the Petro Club would probably throw us out!! Couldn't blame her.....

From: Dave [<mailto:dave@montanapetroleum.org>]
Sent: Tuesday, February 12, 2013 9:08 AM
To: Richmond, Tom
Subject: RE: SB295, (Kaufmann) Eliminate oil & gas "tax holiday" and provide money for impacts and renewables

Have the 20 year

David A. Galt
Executive Director
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From: Richmond, Tom [<mailto:trichmond@mt.gov>]
Sent: Tuesday, February 12, 2013 9:08 AM
To: Dave
Subject: RE: SB295, (Kaufmann) Eliminate oil & gas "tax holiday" and provide money for impacts and renewables

I was going to ask you for your member number at the Pet. Club!

From: Dave [<mailto:dave@montanapetroleum.org>]
Sent: Tuesday, February 12, 2013 9:05 AM
To: Richmond, Tom
Subject: RE: SB295, (Kaufmann) Eliminate oil & gas "tax holiday" and provide money for impacts and renewables

I was laughing when I hit send.

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From: Richmond, Tom [<mailto:trichmond@mt.gov>]
Sent: Tuesday, February 12, 2013 9:04 AM
To: Dave
Subject: RE: SB295, (Kaufmann) Eliminate oil & gas "tax holiday" and provide money for impacts and renewables

Indeed.....

From: Dave [<mailto:dave@montanapetroleum.org>]
Sent: Tuesday, February 12, 2013 8:59 AM
To: Richmond, Tom
Subject: RE: SB295, (Kaufmann) Eliminate oil & gas "tax holiday" and provide money for impacts and renewables

Jim is a good person, putting up with all my requests...you should take him to lunch.

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From: Richmond, Tom [<mailto:trichmond@mt.gov>]
Sent: Tuesday, February 12, 2013 8:58 AM
To: Dave
Subject: RE: SB295, (Kaufmann) Eliminate oil & gas "tax holiday" and provide money for impacts and renewables

Sent to Halvorson....I think he has done something like this...but can't say for sure.

From: Dave [<mailto:dave@montanapetroleum.org>]
Sent: Tuesday, February 12, 2013 8:54 AM
To: Richmond, Tom
Subject: FW: SB295, (Kaufmann) Eliminate oil & gas "tax holiday" and provide money for impacts and renewables

Tom

Would it be possible for your folks to grab that data in the sentence below that I highlighted?

dave

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From: Kent Beers [<mailto:kbeers@oasispetroleum.com>]
Sent: Tuesday, February 12, 2013 8:47 AM
To: Montana Petroleum Association
Cc: Jack King (jking@hancock-enterprises.com); Jeff Herman (jherman@petrohunt.com)
Subject: RE: SB295, (Kaufmann) Eliminate oil & gas "tax holiday" and provide money for impacts and renewables

One of the most powerful pieces of data that we could use to defeat this is the lack of success and/or marginal quality of the Bakken wells drilled to date in the State (outside of Elm Coulee)– as well as the poor results in the Central Montana and NW Montana plays.(this isn't a large number of wells) **I or someone could say this, but if someone could actually compile the wells and associated production information for the last couple of years it will emphasis a story that there's lots of money being spent with very limited positive results to date – so if you want to kill what efforts are currently being made then pass this Bill**



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Sr. Vice President Land
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Houston, Texas 77002
(281) 404-9500
(281) 404-9450 direct
(406) 861-8289 cell
(281) 404-9501 fax
kbeers@oasispetroleum.com

From: Montana Petroleum Association [<mailto:mpa@montanapetroleum.org>]
Sent: Tuesday, February 12, 2013 9:39 AM
To: Kent Beers
Subject: RE: SB295, (Kaufmann) Eliminate oil & gas "tax holiday" and provide money for impacts and renewables

Hearing is not scheduled yet...the greens have their big rally on the 19th, so I would assume sometime after that. With Transmittal this close they usually don't get that excited in tax.

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From: [Richmond, Tom](#)
To: [Dave](#)
Subject: RE: HB 406-explanation.docx
Date: Tuesday, February 12, 2013 1:34:00 PM

I think you got it...

From: Dave [mailto:dave@montanapetroleum.org]
Sent: Tuesday, February 12, 2013 1:05 PM
To: Richmond, Tom
Subject: HB 406-explanation.docx

Is the Dave Galt version of what HB 406 does correct? It is attached. The hearing is going to be March 5th on the Kauffman SB 295

From: [Richmond, Tom](#)
To: dave@montanapetroleum.org
Subject: Re: SB295
Date: Monday, March 04, 2013 5:25:15 PM
Attachments: [image002.png](#)
[image003.png](#)

Tutvedt did call me this afternoonI am officially here.

Sent from my Verizon Wireless Phone

----- Reply message -----

From: "Dave" <dave@montanapetroleum.org>
Date: Mon, Mar 4, 2013 3:06 pm
Subject: SB295
To: "Richmond, Tom" <trichmond@mt.gov>

FYI.

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From: Kent Beers [<mailto:kbeers@oasispetroleum.com>]
Sent: Monday, March 04, 2013 3:03 PM
To: Dave
Subject: RE: SB295



Kent Beers
SVP Land
1001 Fannin St., Suite 1500
Houston, Texas 77002
(281) 404-9450 direct
(406) 861-8289 mobile
(281) 404-9454 fax
kbeers@oasispetroleum.com

From: Dave [<mailto:dave@montanapetroleum.org>]
Sent: Monday, March 04, 2013 3:52 PM
To: Kent Beers
Subject: RE: SB295

Kent

I really like this letter it makes all the points in a clear and concise method.

dave

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From: Kent Beers [<mailto:kbeers@oasispetroleum.com>]
Sent: Monday, March 04, 2013 2:35 PM
To: Dave
Subject: SB295

Please review and comment



Kent Beers
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From: [Richards, Lucy](#)
To: [DNR Fiscal Notes](#)
Subject: FN Due - SB 388
Date: Friday, March 15, 2013 3:20:57 PM

Bill #	Title	Due Internally at DNRC	Due to OBPP
SB 388	Provide tax exemption for hydrofracturing pipelines that provided potable water	3/18/13 by noon	3/19/13

From: Nevins, Jeanne
Sent: Friday, March 15, 2013 3:00 PM
To: Barbour, Kristan; Caplis, Ed; Lamson, Joe (DNRC); Noel, DeAnna (DNRC); Richards, Lucy; Schiltz, Tricia
Subject: FW: SB 388 as introduced by Sen. Hamlett - due 3/19

Please submit a fiscal note for this bill.

From: [Richards, Lucy](#)
To: [Nevins, Jeanne](#)
Cc: [DNR Fiscal Notes](#); [Tubbs, John](#); [Lamson, Joe \(DNRC\)](#)
Subject: SB 388 - No Impact
Date: Monday, March 18, 2013 11:43:14 AM

Jeanne, SB 388 does not impact DNRC. Lucy

From: [Dave](#)
To: [Stockwell, Hope](#)
Cc: [Richmond, Tom](#)
Subject: Flaring Rules
Date: Tuesday, March 19, 2013 9:40:42 AM
Attachments: [image003.png](#)

-
Hope, 1219 applies only to a gas well, so if you start and file for a gas well permit, you can't waste the product...that is important to know.

-
36.22.1219 GAS WASTE PROHIBITED

After completion of a gas well, no gas shall be permitted to escape into the air, except that required for periodic testing or cleaning of the well bore.

History: [82-11-111](#), MCA; [IMP](#), [82-11-123](#), [82-11-124](#), MCA; Eff. 12/31/72.

Hope-1220 is the primary rule dealing with associated gas flaring (associated with a well, permitted and drilled as an oil well)

36.22.1220 ASSOCIATED GAS FLARING LIMITATION – APPLICATION TO EXCEED – BOARD REVIEW AND ACTION

(1) If the average daily gas production exceeds 100 MCFG and the operator intends to flare or otherwise waste the associated gas, the well may not produce more than an average of 100 MCFG per day each calendar month after the 60 day test required by ARM [36.22.1215](#) until such time as further relief may be granted by the board pursuant to subsections (2) and (3) .

(2) If the operator wishes to flare more than an average of the 100 MCFG per day each calendar month, the operator must submit with the production test results a statement justifying the need to flare or otherwise waste more than that amount. The statement should include such information as a gas analysis, estimated gas reserves, proximity of the well to a market, estimated gas price at the nearest market, estimated cost of marketing the gas, reinjection potential or other conservation-oriented disposition alternatives, amount of gas used in lease operations, and any other information pertinent to a determination of whether marketing or not marketing or otherwise conserving the associated gas is economically feasible.

(3) The petroleum engineer will review the justification statement with the board at its next regularly scheduled meeting. The board may elect to:

(a) docket a hearing for the operator to show further cause why it should be allowed to flare or otherwise waste more than an average of 100 MCFG per day each calendar month;

(b) restrict production until the gas is marketed or otherwise beneficially utilized; in which case the operator may docket a hearing on his own behalf to seek further relief; or

(c) take any other action the board deems appropriate in the circumstances.

History: [82-11-111](#), MCA; [IMP](#), [82-11-123](#), [82-11-124](#), MCA; [NEW](#), 1978 MAR p. 1425, Eff. 10/13/78; [AMD](#), 1982 MAR p. 1398, Eff. 7/16/82.

Hope- this one deals with waste and H₂S gas in small quantities:

36.22.1221 BURNING OF WASTE GAS REQUIRED

(1) All gas vented to the atmosphere at a rate exceeding 20 MCF per day for a period in excess of 72 hours shall be burned. All operators of well venting any quantity of gas containing 20 parts per million or more of hydrogen sulfide (H₂S) shall insure that workable ignitor systems are installed on such wells and take whatever other steps that may be necessary to insure that all such waste gas is burned and not vented to the atmosphere. No variance from this rule is allowed without written authorization from the board.

(2) Any operator seeking a variance from this rule must submit a production test and a statement justifying the need for a variance. The statement should include such information as potential human exposure; relative isolation of location; restriction of access to location such as fence, warning signs, etc.; low gas volume; and low BTU content.

(3) The board staff will review the justification statement with the board at its next regularly scheduled hearing. The board may elect to grant or deny the application or schedule a hearing thereon. An operator whose application for variance is denied without a hearing may request a hearing.

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From: [Dave](#)
To: [Richmond, Tom](#)
Subject: Re: gas?
Date: Friday, March 15, 2013 9:43:23 AM

Yes. Did you come up with this

Sent from my iPhone

On Mar 15, 2013, at 9:36 AM, "Richmond, Tom" <trichmond@mt.gov> wrote:

This?

From: Richmond, Tom
Sent: Tuesday, March 12, 2013 10:28 AM
To: 'Dave'
Subject: RE: gas?

“(2) To encourage the recovery of valuable natural gas liquids from oil wells that would otherwise produce unmarketable natural gas, recovered gas liquids are taxed at 50% of the rate established in **15-36-304** for oil produced from the same property. Any natural gas vented or flared during the process of natural gas liquids recovery is not taxable.”

From: Dave [<mailto:dave@montanapetroleum.org>]
Sent: Tuesday, March 12, 2013 10:10 AM
To: Richmond, Tom
Subject: Re: gas?

Hijack is also on the table

Sent from my iPhone

On Mar 12, 2013, at 9:42 AM, "Richmond, Tom" <trichmond@mt.gov> wrote:

I should be able to sink this boat with information....

From: Dave [<mailto:dave@montanapetroleum.org>]
Sent: Tuesday, March 12, 2013 9:34 AM
To: Richmond, Tom
Subject: Re: gas?

Can the board authorize you to be an opponent?

Sent from my iPhone

On Mar 12, 2013, at 9:23 AM, "Richmond, Tom" <trichmond@mt.gov> wrote:

I am afraid Mr. Halvorson maybe agonizing about this too much, but we –regardless of any further analysis done...do not have a problem with gas flaring...

From: Halvorson, Jim
Sent: Tuesday, March 12, 2013 8:47 AM
To: Richmond, Tom
Subject: gas?

Based upon the most recent reports there were 2321 production reporting units with 4,638 producing oil wells.

Thirty three wells appear to exceed the current 100 mcfgpd level set forth in ARM 36.22.1220 and fifty one would exceed the proposed 50 mcfgpd limit.

Of the fifty one wells, twenty seven are currently within the completion/ test period.

The remaining wells (24) are either located in areas where infrastructure exists and will be hooked up for gas sales, or will or have had a request filed by the operator for an exemption to the flaring limitation under 36.22.1220 due to the distance to established gathering systems and/or low gas volumes and poor well economics.

From: [Dave](#)
To: [Richmond, Tom](#)
Subject: Re: flare Bill
Date: Friday, March 15, 2013 9:17:55 AM

Tom. Did you send me language that I can use to amend the coffin bill? Me thinks I saw it but I can't find it

Sent from my iPhone

On Mar 12, 2013, at 11:07 AM, "Richmond, Tom" <trichmond@mt.gov> wrote:

I don't like anything in the statute about gas flaring ---should be a conservation issue and up to the Board...screwing with the tax rate to encourage other uses is good though...

From: Dave [<mailto:dave@montanapetroleum.org>]
Sent: Tuesday, March 12, 2013 10:30 AM
To: Richmond, Tom
Subject: Fwd: flare Bill

This is the likely ND vehicle. Is there anything you like in here or is it not pertinent

Sent from my iPhone

Begin forwarded message:

From: Ron Ness <ronness@ndoil.org>
Date: March 9, 2013, 3:12:03 PM MST
To: Dave <dave@montanapetroleum.org>
Subject: RE: flare Bill

We have several but this is likely the best, we are developing an entire flare white paper/page. I did add an extra thirty days yesterday, they don't want these guys on the site until production aspects are complete. Brian Cebull has this business and using him would be valuable.

<http://www.legis.nd.gov/assembly/63-2013/bill-actions/ba1134.html>

From: Dave [<mailto:dave@montanapetroleum.org>]
Sent: Saturday, March 09, 2013 3:52 PM

To: Ron Ness
Subject: flare Bill

Ron...can you send me a link to the bill you had that gives a tax break on flaring for now technology that can strip the wet stream off the gas? Is it going to pass? I have a newbie over here that introduced a bill to whack us and tax the stream...I might see if I can amend all his crap out and copy the tax exemption that you have in the bill over there...trouble is I forget the number

dave

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From: [Dave](#)
To: [Richmond, Tom](#)
Subject: Fwd: Coffin flaring fiscal note
Date: Friday, March 22, 2013 10:25:10 AM

Good chat with Jim on the fiscal note bill

Sent from my iPhone

Begin forwarded message:

From: "Halvorson, Jim" <jhalvorson@mt.gov>
Date: March 22, 2013, 10:00:10 AM MDT
To: Dave <dave@montanapetroleum.org>
Subject: RE: Coffin flaring fiscal note

It was a snapshot of the most recent reported month, and shows how many wells were flaring at that time. If we were to go one earlier there may be fewer or none with no wells being completed, and if we look in to the future with the dropping rig count the number of wells flaring will drop. If the number of rigs (and subsequent completions) increases it could go up, but usually temporarily.

They flare for two reasons - 1) waiting to get hooked up, or 2) it is not economic to sell gas due to either the low volume of gas or the distance to gathering systems. In "2)" the board can grant an exception, and under "1)" the flair for only a while.

My number was actually high compared to the past couple of years due to the increase in drilling during 2012. Our rig count has dropped since then.

The only way to look at it is instantaneously. Tom will have better words. He's in Helena somewhere.

-----Original Message-----

From: Dave [<mailto:dave@montanapetroleum.org>]
Sent: Friday, March 22, 2013 9:41 AM
To: Halvorson, Jim
Subject: Coffin flaring fiscal note

Coffin made a flippant statement that the board only used months data to make the fiscal note and that's a problem. How do I respond to that

Sent from my iPhone

From: [Mark Baker](#)
To: [Richmond, Tom](#)
Subject: Re: HB587 amendment
Date: Sunday, March 24, 2013 12:30:16 PM
Attachments: [image003.png](#)

Good input.

Mark Baker
Anderson, Baker & Swanson, PLLC
Attorneys-at-Law
One South Montana Avenue, Suite L-1
PO Box 866
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406.449.3118 – Office
406.449.0667 – Facsimile
406.459.2160 – Mobile
markbaker@abslegal.net

From: Tom Richmond <trichmond@mt.gov>
Date: Sunday, March 24, 2013 9:48 AM
To: Dave Galt <dave@montanapetroleum.org>, Greg Schnacke <greg.schnacke@denbury.com>, Mark Baker <mbaker30@bresnan.net>, Melissa Lewis <melissa@mlewisassoc.com>, Gail Abercrombie <gaila88@msn.com>, Tom Ebzery <tebzery@earthlink.net>
Cc: Brian Cebull <bcebull@nanceres.com>, "Colby Branch (cbranch@crowleyfleck.com)" <cbranch@crowleyfleck.com>, David Ballard <dballard@ballardpetroleum.com>, Dexter Busby <dbusby@montanarefining.com>, "Jack King (jking@hancock-enterprises.com)" <jking@hancock-enterprises.com>, Mac McDermott <macmcd1@3rivers.net>, "Sandstead Kevin (kevin.j.sandstead@conocophillips.com)" <kevin.j.sandstead@conocophillips.com>
Subject: RE: HB587 amendment
Resent-From: Mark Baker <mbaker30@bresnan.net>
Resent-Date: Sun, 24 Mar 2013 15:48:55 +0000

It doesn't look to me that amending this bill is going to work, and it is too late to get a new one drafted. The amendment has too many problems to fix and still stay within the title AND avoid codifying administrative rules ---I agree that making plans for the next session is a better idea.

I suspect that a purely "conservation" tone - recovering the greatest value from vented or flared gas-- might be an interesting approach to an new bill to incentivize casinghead gas utilization --liquids recovery, small scale electric power generation...LC1272 proposed using "wasted" natural gas to make fertilizer, heating a greenhouse to grow medical marijuana (well maybe not)...some ideas may not be too practical, but might drag a supporter or two out of the weeds....something a little broader of base than just an industry proposal....

Tom

From: Dave [dave@montanapetroleum.org]

Sent: Friday, March 22, 2013 5:13 PM

To: greg.schnacke@denbury.com; mbaker30@bresnan.net; melissa@mlewisassoc.com; Gail Abercrombie; Richmond, Tom; tebzery@earthlink.net

Cc: Dave; Brian Cebull; Colby Branch (cbranch@crowleyfleck.com); Dave Ballard; Dexter Busby; Jack King (jking@hancock-enterprises.com); Mac McDermott; Sandstead Kevin (kevin.j.sandstead@conocophillips.com)

Subject: FW: HB587 amendment

Greetings:

Attached is the amendment for the flaring bill and it is obvious that this amendment is not going to work. As written this amendment would open natural gas liquids from any well, whether marketable or not, to a 36 month no tax period. That would be a huge problem for the industry given the current dialogue on incentives.

I have worked with the drafter for several days on this and we have no more time which is also a problem.

My original goal here was to take a bad bill and insert language that would incentivize the recovery of otherwise unmarketable gas liquids for twice the length of the current incentive period. The purpose was to incentivize new technology that can strip the liquids. It was also my goal to prevent this incentive from becoming a disincentive to connection to a market gathering system which would require an ongoing authorization from the MBOGC to show that it was still uneconomical to connect to a pipe. At the same time not putting any additional stress on the current incentive policy.

I have learned that in order to accomplish all these goals this little incentive would have been drafted in such a way to impact not only the statute but also MDOR tax rules and MBOGC flaring rules and ultimately bring some of those existing rules into statute. No one wants that to occur.

I am going to back off on the idea of amending this bill in such a short time frame. I think we should watch what is happening in ND with their ideas regarding incentivizing the same stream. After a long discussion with the Board of Oil and Gas it is obvious that flaring is not a problem in Montana. If over the next 18 months this idea gains merit and seems to be worth the extensive revision and corresponding work in the legislature then by all means let's move forward but not this late and with this short of time frame.

On Monday morning I am going to pull the plug on the amendment and just work to see that HB 587 is tabled. I have to thank Representative Austin Knudsen the amendment sponsor for his willingness to tackle the issue and the the Chair of the Committee, Representative Regier who agreed to and facilitated the attempted change. The old adage that it is hard to make a bad bill good, is certainly true here.

I apologize if caused anyone any heartburn.

Regards

dave

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P.O. Box 1186
25 Neill Ave. Suite 202
Helena, MT 59624
(406) 442-7582 Office
(406) 443-7291 Fax
(406) 461-1314 Mobil



From: Moore, Megan [<mailto:memooore@mt.gov>]
Sent: Friday, March 22, 2013 3:46 PM
To: Dave
Subject: HB587 amendment

Hi Dave,

Let me know what you think of the attached amendment. Am I correct that the natural gas from an associated oil well will be taxed at the oil rate in subsection (5) of 15-36-304?

Also, what are your thoughts on an effective date and an applicability date?

Best,

Megan Moore
Research Analyst
Montana Legislative Services
Room 111F
(406) 444-4496
memooore@mt.gov

From: [Dave](#)
To: greg.schnacke@denbury.com; mbaker30@bresnan.net; melissa@mlewisassoc.com; Gail Abercrombie; Richmond, Tom; tebzero@earthlink.net
Cc: [Dave](#); [Brian Cebull](#); [Colby Branch \(cbranch@crowleyfleck.com\)](mailto:cbranch@crowleyfleck.com); [Dave Ballard](#); [Dexter Busby](#); [Jack King](#) (jking@hancock-enterprises.com); [Mac McDermott](#); [Sandstead Kevin \(kevin.j.sandstead@conocophillips.com\)](mailto:Sandstead Kevin (kevin.j.sandstead@conocophillips.com))
Subject: FW: HB587 amendment
Date: Friday, March 22, 2013 5:15:32 PM
Attachments: [image003.png](#)
[HB058701-AMM.pdf](#)

Greetings:

Attached is the amendment for the flaring bill and it is obvious that this amendment is not going to work. As written this amendment would open natural gas liquids from any well, whether marketable or not, to a 36 month no tax period. That would be a huge problem for the industry given the current dialogue on incentives.

I have worked with the drafter for several days on this and we have no more time which is also a problem.

My original goal here was to take a bad bill and insert language that would incentivize the recovery of otherwise unmarketable gas liquids for twice the length of the current incentive period. The purpose was to incentivize new technology that can strip the liquids. It was also my goal to prevent this incentive from becoming a disincentive to connection to a market gathering system which would require an ongoing authorization from the MBOGC to show that it was still uneconomical to connect to a pipe. At the same time not putting any additional stress on the current incentive policy.

I have learned that in order to accomplish all these goals this little incentive would have been drafted in such a way to impact not only the statute but also MDOR tax rules and MBOGC flaring rules and ultimately bring some of those existing rules into statute. No one wants that to occur.

I am going to back off on the idea of amending this bill in such a short time frame. I think we should watch what is happening in ND with their ideas regarding incentivizing the same stream. After a long discussion with the Board of Oil and Gas it is obvious that flaring is not a problem in Montana. If over the next 18 months this idea gains merit and seems to be worth the extensive revision and corresponding work in the legislature then by all means let's move forward but not this late and with this short of time frame.

On Monday morning I am going to pull the plug on the amendment and just work to see that HB 587 is tabled. I have to thank Representative Austin Knudsen the amendment sponsor for his willingness to tackle the issue and the the Chair of the Committee, Representative Regier who agreed to and facilitated the attempted change. The old adage that it is hard to make a bad bill good, is certainly true here.

I apologize if caused anyone any heartburn.

Regards

dave

David A. Galt
Executive Director
Montana Petroleum Assn.
P.O. Box 1186
25 Neill Ave. Suite 202
Helena, MT 59624
(406) 442-7582 Office
(406) 443-7291 Fax
(406) 461-1314 Mobil



From: Moore, Megan [mailto:memooore@mt.gov]
Sent: Friday, March 22, 2013 3:46 PM
To: Dave
Subject: HB587 amendment

Hi Dave,

Let me know what you think of the attached amendment. Am I correct that the natural gas from an associated oil well will be taxed at the oil rate in subsection (5) of 15-36-304?

Also, what are your thoughts on an effective date and an applicability date?

Best,

Megan Moore
Research Analyst
Montana Legislative Services
Room 111F
(406) 444-4496
memooore@mt.gov

From: [Linda Nelson](#)
To: [Richmond, Tom](#)
Subject: RE: veto letter for HB218
Date: Tuesday, May 07, 2013 2:43:01 PM

Well, at least there's something left for infrastructure needs.

From: Richmond, Tom [mailto:trichmond@mt.gov]
Sent: Tuesday, May 07, 2013 9:41 AM
To: Linda Nelson; Jack King; 'Bret Smelser'
Cc: Perrigo, Terri
Subject: veto letter for HB218

From: [Jack King](#)
To: [Richmond, Tom](#); [Linda Nelson](#)
Subject: RE: veto letter for HB218
Date: Tuesday, May 07, 2013 9:52:05 AM

Very curious and very contrarian.

From: Richmond, Tom [mailto:trichmond@mt.gov]
Sent: Tuesday, May 07, 2013 9:41 AM
To: Linda Nelson; Jack King; 'Bret Smelser'
Cc: Perrigo, Terri
Subject: veto letter for HB218

From: Richmond, Tom
To: ["Linda Nelson"; "Jack King"; "Bret Smelser"](#)
Cc: [Perrigo, Terri](#)
Subject: veto letter for HB218
Date: Tuesday, May 07, 2013 9:41:00 AM
Attachments: [House Bill 218 veto.pdf](#)

From: [Dave](#)
To: [Richmond, Tom](#)
Subject: RE: Veto?
Date: Tuesday, May 07, 2013 9:37:05 AM
Attachments: [image001.png](#)

218...not a pretty scene at the moment.

David A. Galt
Executive Director
Montana Petroleum Assn.
P.O. Box 1186
25 Neill Ave. Suite 202
Helena, MT 59624
(406) 442-7582 Office
(406) 443-7291 Fax
(406) 461-1314 Mobil



From: Richmond, Tom [mailto:trichmond@mt.gov]
Sent: Tuesday, May 07, 2013 9:22 AM
To: Dave
Subject: Veto?

From today's IR:

--HB118, by Rep. Duane Ankney, R-Colstrip, which would have required the state Board of Oil and Gas Conservation to administer a grant program for oil and gas impacts."

HB118 is by Ankney and has nothing to do with O&G, do you suppose he vetoed HB218?

From: Richmond, Tom
To: ["Dave"](#)
Subject: Veto?
Date: Tuesday, May 07, 2013 9:22:00 AM

From today's IR:

--HB118, by Rep. Duane Ankney, R-Colstrip, which would have required the state Board of Oil and Gas Conservation to administer a grant program for oil and gas impacts."

HB118 is by Ankney and has nothing to do with O&G, do you suppose he vetoed HB218?

From: [Schiltz, Tricia](#)
To: [DNR Legislation Group](#)
Subject: FW: Bills requiring HB 2 Amendment
Date: Thursday, April 11, 2013 1:14:50 PM

Gerry Murphy requested a list of bills that may require approp in HB2. I sent the below list. Please let me know ASAP if I missed any bills.

Thanks,
Tricia

From: Schiltz, Tricia
Sent: Thursday, April 11, 2013 12:57 PM
To: Murphy, Gerry
Subject: RE: Bills requiring HB 2 Amendment

[HB218](#)
[SB355](#)
[SB369](#)
[SB396](#)

From: Murphy, Gerry
Sent: Thursday, April 11, 2013 11:56 AM
To: Schiltz, Tricia; Noel, DeAnna (DNRC)
Subject: Bills requiring HB 2 Amendment

Hi,

Do you have a list of bills that if signed will require appropriation in HB 2? If you do, can you send it over ASAP?

Thanks!
Gerry

Gerry Murphy
Budget Analyst
Governor's Office of Budget and Program Planning
406-444-3191
gmurphy@mt.gov

From: [Richards, Lucy](#)
To: [Perrigo, Terri](#); [Richmond, Tom](#)
Cc: [DNR Fiscal Note Submission](#); [Tubbs, John](#); [Lamson, Joe \(DNRC\)](#)
Subject: HB 218.03 - Submitted
Date: Wednesday, April 10, 2013 11:51:07 AM

[This link](#) will take you to the version of the FN that is posted on the website from 3/26/13 (version 2) if you want to refresh your memories.

From: Richards, Lucy
Sent: Wednesday, April 10, 2013 11:47 AM
To: Nevins, Jeanne
Subject: HB 218.03 - Submitted

Jeanne,

The amendments to HB 218 do not change the impacts to DNRC that are already listed in the exiting fiscal note.

Lucy

From: [Perrigo, Terri](#)
To: [Richards, Lucy](#)
Cc: [Richmond, Tom](#); [DNR Fiscal Note Submission](#)
Subject: RE: FN Due TOMORROW - HB 218
Date: Wednesday, April 10, 2013 8:36:31 AM

Does not change the oil and gas portion of the fiscal note. tp

Terri H. Perrigo
Executive Secretary
Montana Board of Oil & Gas Conservation
(406) 444-6970

From: Richards, Lucy
Sent: Tuesday, April 09, 2013 5:40 PM
To: Perrigo, Terri; Richmond, Tom
Cc: DNR Fiscal Notes
Subject: FN Due TOMORROW - HB 218
Importance: High

It's the BOGC show again. I haven't read the amended bill yet so I don't know what the amendments are and what they change in our previous FN. Ir

Bill #	Title	Due Internally	Due to OBPP	Link to Previous FN
HB 218.03	Require Board of Oil and Gas to administer grant program for oil and gas impacts	ASAP	4/10/13 (Wednesday)	FN HB 218.02

From: Nevins, Jeanne
Sent: Tuesday, April 09, 2013 4:35 PM
To: Lamson, Joe (DNRC); Noel, DeAnna (DNRC); Richards, Lucy; Schiltz, Tricia; Barbour, Kristan; Caplis, Ed; Jacobsen, Christi; Rose, Eileen; Thomas, Nathaniel; Hagman, Monica; Lauf, Janet; Matthews, Marie; Sim, Scott; Ziesman, Deanna; Marlow, Bev; Quinlan, Madalyn
Cc: Murphy, Gerry
Subject: Amended FN on HB 218 4-9-13 DNRC, DOR, JUSTICE, PHHS, OPI

HB 218 as amended (use version on LAWS)

Due 4-10-13

From: [Perrigo, Terri](#)
To: [Richmond, Tom](#)
Subject: RE: FN Due TOMORROW - HB 218
Date: Wednesday, April 10, 2013 8:27:02 AM

And school districts was in prior version of bill too.
But I just got kicked off site and can't get back on to print both out to compare. Says service temporarily unavailable. I'll keep trying.

Terri H. Perrigo
Executive Secretary
Montana Board of Oil & Gas Conservation
(406) 444-6970

From: Richmond, Tom
Sent: Wednesday, April 10, 2013 8:20 AM
To: Perrigo, Terri
Subject: RE: FN Due TOMORROW - HB 218

I think that is right, but did these amendments change the funding? I see there is no general fund anymore, but the thread back to the federal mineral revenue seems different to me....I think Rosendale has another amendment, so this is going to end up in conference committee anyway I bet...

From: Perrigo, Terri
Sent: Wednesday, April 10, 2013 8:18 AM
To: Richmond, Tom
Subject: FW: FN Due TOMORROW - HB 218
Importance: High

The only difference I think I see in this version is now school districts are eligible for the gravy train.
Do you agree?

Terri H. Perrigo
Executive Secretary
Montana Board of Oil & Gas Conservation
(406) 444-6970

From: Richards, Lucy
Sent: Tuesday, April 09, 2013 5:40 PM
To: Perrigo, Terri; Richmond, Tom
Cc: DNR Fiscal Notes
Subject: FN Due TOMORROW - HB 218
Importance: High

It's the BOGC show again. I haven't read the amended bill yet so I don't know what the amendments are and what they change in our previous FN. Ir

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Bill #	Title	Due Internally	Due to OBPP	Link to Previous FN
HB 218.03	Require Board of Oil and Gas to administer grant program for oil and gas impacts	ASAP	4/10/13 (Wednesday)	FN HB 218.02

From: Nevins, Jeanne

Sent: Tuesday, April 09, 2013 4:35 PM

To: Lamson, Joe (DNRC); Noel, DeAnna (DNRC); Richards, Lucy; Schiltz, Tricia; Barbour, Kristan; Caplis, Ed; Jacobsen, Christi; Rose, Eileen; Thomas, Nathaniel; Hagman, Monica; Lauf, Janet; Matthews, Marie; Sim, Scott; Ziesman, Deanna; Marlow, Bev; Quinlan, Madalyn

Cc: Murphy, Gerry

Subject: Amended FN on HB 218 4-9-13 DNRC, DOR, JUSTICE, PHHS, OPI

HB 218 as amended (use version on LAWS)

Due 4-10-13

From: [Perrigo, Terri](#)
To: [Richmond, Tom](#)
Subject: RE: FN Due TOMORROW - HB 218
Date: Wednesday, April 10, 2013 8:25:13 AM

It doesn't change our fiscal note, though.....

Terri H. Perrigo
Executive Secretary
Montana Board of Oil & Gas Conservation
(406) 444-6970

From: Richmond, Tom
Sent: Wednesday, April 10, 2013 8:20 AM
To: Perrigo, Terri
Subject: RE: FN Due TOMORROW - HB 218

I think that is right, but did these amendments change the funding? I see there is no general fund anymore, but the thread back to the federal mineral revenue seems different to me....I think Rosendale has another amendment, so this is going to end up in conference committee anyway I bet...

From: Perrigo, Terri
Sent: Wednesday, April 10, 2013 8:18 AM
To: Richmond, Tom
Subject: FW: FN Due TOMORROW - HB 218
Importance: High

The only difference I think I see in this version is now school districts are eligible for the gravy train.
Do you agree?

Terri H. Perrigo
Executive Secretary
Montana Board of Oil & Gas Conservation
(406) 444-6970

From: Richards, Lucy
Sent: Tuesday, April 09, 2013 5:40 PM
To: Perrigo, Terri; Richmond, Tom
Cc: DNR Fiscal Notes
Subject: FN Due TOMORROW - HB 218
Importance: High

It's the BOGC show again. I haven't read the amended bill yet so I don't know what the amendments are and what they change in our previous FN. Ir

Bill #	Title	Due Internally	Due to OBPP	Link to Previous FN
HB 218.03	Require Board of Oil and Gas to	ASAP	4/10/13	FN HB

	administer grant program for oil and gas impacts		(Wednesday)	218.02
--	---	--	-------------	------------------------

From: Nevins, Jeanne

Sent: Tuesday, April 09, 2013 4:35 PM

To: Lamson, Joe (DNRC); Noel, DeAnna (DNRC); Richards, Lucy; Schiltz, Tricia; Barbour, Kristan; Caplis, Ed; Jacobsen, Christi; Rose, Eileen; Thomas, Nathaniel; Hagman, Monica; Lauf, Janet; Matthews, Marie; Sim, Scott; Ziesman, Deanna; Marlow, Bev; Quinlan, Madalyn

Cc: Murphy, Gerry

Subject: Amended FN on HB 218 4-9-13 DNRC, DOR, JUSTICE, PHHS, OPI

HB 218 as amended (use version on LAWS)

Due 4-10-13

From: [Perrigo, Terri](#)
To: [Richmond, Tom](#)
Subject: FW: FN Due TOMORROW - HB 218
Date: Wednesday, April 10, 2013 8:17:55 AM
Importance: High

The only difference I think I see in this version is now school districts are eligible for the gravy train.

Do you agree?

Terri H. Perrigo
Executive Secretary
Montana Board of Oil & Gas Conservation
(406) 444-6970

From: Richards, Lucy
Sent: Tuesday, April 09, 2013 5:40 PM
To: Perrigo, Terri; Richmond, Tom
Cc: DNR Fiscal Notes
Subject: FN Due TOMORROW - HB 218
Importance: High

It's the BOGC show again. I haven't read the amended bill yet so I don't know what the amendments are and what they change in our previous FN. Ir

Bill #	Title	Due Internally	Due to OBPP	Link to Previous FN
HB 218.03	Require Board of Oil and Gas to administer grant program for oil and gas impacts	ASAP	4/10/13 (Wednesday)	FN HB 218.02

From: Nevins, Jeanne
Sent: Tuesday, April 09, 2013 4:35 PM
To: Lamson, Joe (DNRC); Noel, DeAnna (DNRC); Richards, Lucy; Schiltz, Tricia; Barbour, Kristan; Caplis, Ed; Jacobsen, Christi; Rose, Eileen; Thomas, Nathaniel; Hagman, Monica; Lauf, Janet; Matthews, Marie; Sim, Scott; Ziesman, Deanna; Marlow, Bev; Quinlan, Madalyn
Cc: Murphy, Gerry
Subject: Amended FN on HB 218 4-9-13 DNRC, DOR, JUSTICE, PHHS, OPI

HB 218 as amended (use version on LAWS)

Due 4-10-13

From: [Richards, Lucy](#)
To: [Perrigo, Terri](#); [Richmond, Tom](#)
Cc: [DNR Fiscal Notes](#)
Subject: FN Due TOMORROW - HB 218
Date: Tuesday, April 09, 2013 5:39:34 PM
Importance: High

It's the BOGC show again. I haven't read the amended bill yet so I don't know what the amendments are and what they change in our previous FN. Ir

Bill #	Title	Due Internally	Due to OBPP	Link to Previous FN
HB 218.03	Require Board of Oil and Gas to administer grant program for oil and gas impacts	ASAP	4/10/13 (Wednesday)	FN HB 218.02

From: Nevins, Jeanne
Sent: Tuesday, April 09, 2013 4:35 PM
To: Lamson, Joe (DNRC); Noel, DeAnna (DNRC); Richards, Lucy; Schiltz, Tricia; Barbour, Kristan; Caplis, Ed; Jacobsen, Christi; Rose, Eileen; Thomas, Nathaniel; Hagman, Monica; Lauf, Janet; Matthews, Marie; Sim, Scott; Ziesman, Deanna; Marlow, Bev; Quinlan, Madalyn
Cc: Murphy, Gerry
Subject: Amended FN on HB 218 4-9-13 DNRC, DOR, JUSTICE, PHHS, OPI

HB 218 as amended (use version on LAWS)

Due 4-10-13

From: [Richards, Lucy](#)
To: [Richmond, Tom](#); [Perrigo, Terri](#)
Cc: [DNR Fiscal Note Submission](#); [Tubbs, John](#); [Lamson, Joe \(DNRC\)](#)
Subject: SB 396 - Submitted
Date: Tuesday, March 26, 2013 1:14:25 PM

We have submitted the FN for SB 396 to OBPP. It is exactly the same as the [FN we submitted for HB 218](#).

From: Murphy, Gerry
Sent: Tuesday, March 26, 2013 1:08 PM
To: Nevins, Jeanne; Richards, Lucy
Subject: RE: SB 396 Question

Hi Lucy – we're OK with your note for HB 218.

Gerry Murphy
Budget Analyst
Governor's Office of Budget and Program Planning
406-444-3191
gmurphy@mt.gov

From: Nevins, Jeanne
Sent: Tuesday, March 26, 2013 12:25 PM
To: Richards, Lucy
Cc: Murphy, Gerry
Subject: RE: SB 396 Question

I'll let Gerry decide what he'd like you to do.

From: Richards, Lucy
Sent: Tuesday, March 26, 2013 12:19 PM
To: Nevins, Jeanne
Cc: Murphy, Gerry
Subject: SB 396 Question

Jeanne, other than the fact that SB 396 has no termination date, the assumptions and fiscal impacts are exactly the same as those we submitted for HB 218. Do you want me to submit this on an actual template? Lucy

From: [Richards, Lucy](#)
To: [Perrigo, Terri](#)
Cc: [Richmond, Tom](#); [DNR Fiscal Note Submission](#)
Subject: RE: FNs Due - SB 396, SB 398, SB 399
Date: Tuesday, March 26, 2013 8:28:49 AM

Terri, do you mean the most recent version of HB 218 that we submitted? Lucy

From: Perrigo, Terri
Sent: Monday, March 25, 2013 1:52 PM
To: Richards, Lucy
Cc: Richmond, Tom; DNR Fiscal Note Submission
Subject: RE: FNs Due - SB 396, SB 398, SB 399

SB 396 would have the same impact as the fiscal note we wrote for HB 218.
Thanks.

Terri H. Perrigo
Executive Secretary
Montana Board of Oil & Gas Conservation
(406) 444-6970

From: Richards, Lucy
Sent: Friday, March 22, 2013 3:06 PM
To: DNR Fiscal Notes
Subject: FNs Due - SB 396, SB 398, SB 399

Bill #	Title	Due Internally at DNRC	Due to OBPP
SB 396	Create oil and local impact account funding	3/25/13 by noon	3/26/13
SB 398	Revise property tax revaluation process and the taxation of property	3/25/13 by noon	3/26/13
SB 399	Revise oil and gas "tax holiday" and provide funding to local governments	3/25/13 by noon	3/26/13

From: [Perrigo, Terri](#)
To: [Richards, Lucy](#)
Cc: [Richmond, Tom](#); [DNR Fiscal Note Submission](#)
Subject: RE: FNs Due - SB 396, SB 398, SB 399
Date: Monday, March 25, 2013 1:51:43 PM

SB 396 would have the same impact as the fiscal note we wrote for HB 218.

Thanks.

Terri H. Perrigo
Executive Secretary
Montana Board of Oil & Gas Conservation
(406) 444-6970

From: Richards, Lucy
Sent: Friday, March 22, 2013 3:06 PM
To: DNR Fiscal Notes
Subject: FNs Due - SB 396, SB 398, SB 399

Bill #	Title	Due Internally at DNRC	Due to OBPP
SB 396	Create oil and local impact account funding	3/25/13 by noon	3/26/13
SB 398	Revise property tax revaluation process and the taxation of property	3/25/13 by noon	3/26/13
SB 399	Revise oil and gas "tax holiday" and provide funding to local governments	3/25/13 by noon	3/26/13

From: [Perrigo, Terri](#)
To: [Richards, Lucy](#)
Cc: [Richmond, Tom](#); [DNR Fiscal Note Submission](#)
Subject: FW: FN Due ASAP - HB 218.02
Date: Friday, March 22, 2013 10:37:15 AM

The fiscal impact of this bill on o&g is still the same as what is in our original fiscal note.
These amendments add some criteria but no change in fiscal needs.

So no impact (that hasn't already been captured in the fiscal note) to O&G

Terri H. Perrigo
Executive Secretary
Montana Board of Oil & Gas Conservation
(406) 444-6970

From: Perrigo, Terri
Sent: Friday, March 22, 2013 8:27 AM
To: Richards, Lucy
Subject: RE: FN Due ASAP - HB 218.02

I'm going to talk to Tom about this and will get back to you asap. He doesn't get in till 830

Terri H. Perrigo
Executive Secretary
Montana Board of Oil & Gas Conservation
(406) 444-6970

From: Richards, Lucy
Sent: Thursday, March 21, 2013 5:14 PM
To: DNR Fiscal Notes
Subject: FN Due ASAP - HB 218.02
Importance: High

The posted bill has the amendment, but I attached the sheet for quick reference.

Bill #	Title	Due Internally at DNRC	Due to OBPP
HB 218.02	Require Board of Oil and Gas to administer grant program for oil and gas impacts	ASAP	3/22/13 (tomorrow)

From: Murphy, Gerry
Sent: Thursday, March 21, 2013 5:08 PM
To: Richards, Lucy; Barfknecht, Dee
Cc: Nevins, Jeanne; Barbour, Kristan; Caplis, Ed; Lamson, Joe (DNRC); Noel, DeAnna (DNRC); Schiltz, Tricia
Subject: RE: HB 218

That is correct. Thanks Lucy! My apologies.

Gerry Murphy
Budget Analyst
Governor's Office of Budget and Program Planning
406-444-3191
gmurphy@mt.gov

From: Richards, Lucy
Sent: Thursday, March 21, 2013 5:07 PM
To: Murphy, Gerry; Barfknecht, Dee
Cc: Nevins, Jeanne; Barbour, Kristan; Caplis, Ed; Lamson, Joe (DNRC); Noel, DeAnna (DNRC); Schiltz, Tricia
Subject: RE: HB 218

Gerry, I presume you mean HB 218? Lucy

From: Murphy, Gerry
Sent: Thursday, March 21, 2013 4:55 PM
To: Barfknecht, Dee
Cc: Nevins, Jeanne; Murphy, Gerry; Barbour, Kristan; Caplis, Ed; Lamson, Joe (DNRC); Noel, DeAnna (DNRC); Richards, Lucy; Schiltz, Tricia
Subject: HB 218

Hi Dee,

OBPP has reviewed the amendment for SB 381 and would like to prepare an "as amended" fiscal note as the amendment appears to change the fiscal impact. Please send a task request to Jeanne Nevins as notification of approval.

Due Date 3/22/2013

Thanks in advance!
Gerry

Gerry Murphy
Budget Analyst
Governor's Office of Budget and Program Planning
406-444-3191
gmurphy@mt.gov

From: [Richards, Lucy](#)
To: [DNR Fiscal Notes](#)
Subject: FN Due ASAP - HB 218.02
Date: Thursday, March 21, 2013 5:14:26 PM
Attachments: [HB0218.01.pdf](#)
Importance: High

The posted bill has the amendment, but I attached the sheet for quick reference.

Bill #	Title	Due Internally at DNRC	Due to OBPP
HB 218.02	Require Board of Oil and Gas to administer grant program for oil and gas impacts	ASAP	3/22/13 (tomorrow)

From: Murphy, Gerry
Sent: Thursday, March 21, 2013 5:08 PM
To: Richards, Lucy; Barfknecht, Dee
Cc: Nevins, Jeanne; Barbour, Kristan; Caplis, Ed; Lamson, Joe (DNRC); Noel, DeAnna (DNRC); Schiltz, Tricia
Subject: RE: HB 218

That is correct. Thanks Lucy! My apologies.

Gerry Murphy
Budget Analyst
Governor's Office of Budget and Program Planning
406-444-3191
gmurphy@mt.gov

From: Richards, Lucy
Sent: Thursday, March 21, 2013 5:07 PM
To: Murphy, Gerry; Barfknecht, Dee
Cc: Nevins, Jeanne; Barbour, Kristan; Caplis, Ed; Lamson, Joe (DNRC); Noel, DeAnna (DNRC); Schiltz, Tricia
Subject: RE: HB 218

Gerry, I presume you mean HB 218? Lucy

From: Murphy, Gerry
Sent: Thursday, March 21, 2013 4:55 PM
To: Barfknecht, Dee
Cc: Nevins, Jeanne; Murphy, Gerry; Barbour, Kristan; Caplis, Ed; Lamson, Joe (DNRC); Noel, DeAnna (DNRC); Richards, Lucy; Schiltz, Tricia
Subject: HB 218

Hi Dee,

OBPP has reviewed the amendment for SB 381 and would like to prepare an "as amended" fiscal note as the amendment appears to change the fiscal impact. Please send a task request to Jeanne

Nevins as notification of approval.

Due Date 3/22/2013

Thanks in advance!

Gerry

Gerry Murphy

Budget Analyst

Governor's Office of Budget and Program Planning

406-444-3191

gmurphy@mt.gov

From: [Richards, Lucy](#)
To: [Richmond, Tom](#); [Perrigo, Terri](#)
Cc: [DNR Fiscal Note Submission](#); [Tubbs, John](#); [Lamson, Joe \(DNRC\)](#)
Subject: FN for HB 594 Posted
Date: Thursday, March 21, 2013 9:58:10 AM

HB 594 is the mirror bill to HB 218. Our portion of the [FN](#) is what we submitted.

From: [Richards, Lucy](#)
To: [Richmond, Tom](#); [Perrigo, Terri](#)
Cc: [DNR Fiscal Note Submission](#); [Tubbs, John](#); [Lamson, Joe \(DNRC\)](#)
Subject: HB 594 - Submitted
Date: Friday, March 15, 2013 2:27:07 PM

FYI

From: Nevins, Jeanne
Sent: Friday, March 15, 2013 2:06 PM
To: Richards, Lucy; Murphy, Gerry; Bruno, Mark
Cc: Schiltz, Tricia
Subject: RE: HB 594

[This is enough. Thanks.](#)

From: Richards, Lucy
Sent: Friday, March 15, 2013 2:01 PM
To: Murphy, Gerry; Bruno, Mark
Cc: Nevins, Jeanne; Schiltz, Tricia
Subject: HB 594

Gerry and Mark

Other than the fact that there is no termination date for HB 594, all the assumptions and fiscal impacts are the same for DNRC as they were in the [FN for HB 218](#). Do you want us to actually fill out a fiscal note? The only change we would make to the one OBPP published is to strike the termination language.

Effect on County or Other Local Revenues or Expenditures:

1. Starting in FY 2015, available grant funds will be granted to local governments for infrastructure projects necessary because of oil and gas impact. ~~This will continue through fiscal year 2020.~~

~~Long-Term Impacts:~~

- ~~1. As noted above, the statutory allocation of revenue terminates at the end of FY 2020.~~

Lucy

From: [Perrigo, Terri](#)
To: [Richards, Lucy](#)
Cc: [Richmond, Tom](#); [DNR Fiscal Note Submission](#)
Subject: RE: FN HB 594 Due
Date: Friday, March 15, 2013 1:06:22 PM

The fiscal note submitted by BOGC for HB 218 is still applicable.
Please submit that for HB 594.

Terri H. Perrigo
Executive Secretary
Montana Board of Oil & Gas Conservation
(406) 444-6970

From: Richards, Lucy
Sent: Thursday, March 14, 2013 9:49 AM
To: DNR Fiscal Notes
Subject: FN HB 594 Due

Bill #	Title	Due Internally at DNRC	Due to OBPP	Notes
HB 594	Provide for infrastructure oil and gas impact fund for local government	3/16/13 by noon (Saturday).	3/18/13	At first glance this appears to be an expanded version of HB 218 (BOGC grant bill) with more explanation of how to rank applications/prioritize.

From: Nevins, Jeanne
Sent: Thursday, March 14, 2013 9:33 AM
To: Lamson, Joe (DNRC); Noel, DeAnna (DNRC); Richards, Lucy; Schiltz, Tricia; Barbour, Kristan; Caplis, Ed
Cc: Murphy, Gerry; Bruno, Mark
Subject: FW: HB 594, As Introduced by Rep. Halvorson

Please submit a fiscal note for HB 594 by March 18th.
Thank you,
brent

From: [Richards, Lucy](#)
To: [DNR Fiscal Notes](#)
Subject: FN HB 594 Due
Date: Thursday, March 14, 2013 9:48:53 AM

Bill #	Title	Due Internally at DNRC	Due to OBPP	Notes
HB 594	Provide for infrastructure oil and gas impact fund for local government	3/16/13 by noon (Saturday).	3/18/13	At first glance this appears to be an expanded version of HB 218 (BOGC grant bill) with more explanation of how to rank applications/prioritize.

From: Nevins, Jeanne
Sent: Thursday, March 14, 2013 9:33 AM
To: Lamson, Joe (DNRC); Noel, DeAnna (DNRC); Richards, Lucy; Schiltz, Tricia; Barbour, Kristan; Caplis, Ed
Cc: Murphy, Gerry; Bruno, Mark
Subject: FW: HB 594, As Introduced by Rep. Halvorson

Please submit a fiscal note for HB 594 by March 18th.
Thank you,
brent

From: Richmond, Tom
To: [Perrigo, Terri](#)
Subject: RE: HB 218.04
Date: Wednesday, April 17, 2013 9:07:00 AM

Yep.....I wondered when this would happen...


From: Perrigo, Terri
Sent: Wednesday, April 17, 2013 9:06 AM
To: Richmond, Tom
Subject: FW: HB 218.04

Well, well, well.

Terri H. Perrigo
Executive Secretary
Montana Board of Oil & Gas Conservation
(406) 444-6970

From: Richards, Lucy
Sent: Tuesday, April 16, 2013 5:15 PM
To: Richmond, Tom; Perrigo, Terri
Cc: DNR Fiscal Note Submission; Tubbs, John; Lamson, Joe (DNRC)
Subject: HB 218.04

Looks like BOGC is all amended out of HB 218 and has been replaced with the Department of Commerce. No new FN requests thus far.

Bill Draft Number: LC0769 Current Bill Text: [HTML](#) [PDF](#) 

From: [Perrigo, Terri](#)
To: [Richmond, Tom](#)
Subject: FW: HB 218.04
Date: Wednesday, April 17, 2013 9:06:06 AM

Well, well, well.

Terri H. Perrigo
Executive Secretary
Montana Board of Oil & Gas Conservation
(406) 444-6970


From: Richards, Lucy
Sent: Tuesday, April 16, 2013 5:15 PM
To: Richmond, Tom; Perrigo, Terri
Cc: DNR Fiscal Note Submission; Tubbs, John; Lamson, Joe (DNRC)
Subject: HB 218.04

Looks like BOGC is all amended out of HB 218 and has been replaced with the Department of Commerce. No new FN requests thus far.

Bill Draft Number: LC0769 Current Bill Text: [HTML](#) [PDF](#) 

From: [Richards, Lucy](#)
To: [Richmond, Tom](#); [Perrigo, Terri](#)
Cc: [DNR Fiscal Note Submission](#); [Tubbs, John](#); [Lamson, Joe \(DNRC\)](#)
Subject: HB 218.04
Date: Tuesday, April 16, 2013 5:15:08 PM

Looks like BOGC is all amended out of HB 218 and has been replaced with the Department of Commerce. No new FN requests thus far.

Bill Draft Number: LC0769 Current Bill Text: [HTML](#) [PDF](#) 

From: [Lamson, Joe \(DNRC\)](#)
To: [Richmond, Tom](#)
Cc: [Tubbs, John](#)
Subject: HB 218
Date: Friday, April 26, 2013 4:49:38 PM

I know it's now in the Dept. of Commerce. Do you have any further input?

Have a good weekend.

Joe Lamson
Deputy Director
Montana Department of Natural Resources and Conservation
(406) 444-9708

From: Richmond, Tom
To: [Lamson, Joe \(DNRC\)](#)
Subject: RE: HB 218
Date: Friday, April 26, 2013 4:52:00 PM

I think we are happy with it....especially the part about it being in Commerce!!

Tom

From: Lamson, Joe (DNRC)
Sent: Friday, April 26, 2013 4:50 PM
To: Richmond, Tom
Cc: Tubbs, John
Subject: HB 218

I know it's now in the Dept. of Commerce. Do you have any further input?

Have a good weekend.

Joe Lamson
Deputy Director
Montana Department of Natural Resources and Conservation
(406) 444-9708

From: [Perrigo, Terri](#)
To: [Richmond, Tom](#)
Subject: grants
Date: Tuesday, May 07, 2013 8:26:07 AM

Tom,

There is an article I the IR that says the governor vetoed "hb 118" of Ankeny's which authorized the "Board of Oil & Gas" to administer an oil and gas impact account. They have the facts wrong already, but did the governor veto 218 which commerce got instead of us?

Terri H. Perrigo
Executive Secretary
Montana Board of Oil & Gas Conservation
(406) 444-6970

From: [Richmond, Tom](#)
To: [Perrigo, Terri](#)
Subject: Re: grants
Date: Tuesday, May 07, 2013 9:06:09 AM

I didn't see that.....I'll look...

Sent from my Verizon Wireless Phone

----- Reply message -----

From: "Perrigo, Terri" <tperrigo@mt.gov>
Date: Tue, May 7, 2013 8:26 am
Subject: grants
To: "Richmond, Tom" <trichmond@mt.gov>

Tom,

There is an article in the IR that says the governor vetoed "hb 118" of Ankeny's which authorized the "Board of Oil & Gas" to administer an oil and gas impact account. They have the facts wrong already, but did the governor veto 218 which commerce got instead of us?

Terri H. Perrigo
Executive Secretary
Montana Board of Oil & Gas Conservation
(406) 444-6970

From: Richmond, Tom
To: [Perrigo, Terri](#)
Subject: RE: grants
Date: Tuesday, May 07, 2013 9:10:00 AM

Well, the short title is still Board of Oil and Gas, but the bill itself is Commerce...I don't see a signature...so maybe it did get a veto...

From: Perrigo, Terri
Sent: Tuesday, May 07, 2013 8:26 AM
To: Richmond, Tom
Subject: grants

Tom,

There is an article in the IR that says the governor vetoed "hb 118" of Ankeny's which authorized the "Board of Oil & Gas" to administer an oil and gas impact account. They have the facts wrong already, but did the governor veto 218 which commerce got instead of us?

Terri H. Perrigo
Executive Secretary
Montana Board of Oil & Gas Conservation
(406) 444-6970

From: Richmond, Tom
To: ["Dave"](#)
Subject: Veto?
Date: Tuesday, May 07, 2013 9:22:00 AM

From today's IR:

--HB118, by Rep. Duane Ankney, R-Colstrip, which would have required the state Board of Oil and Gas Conservation to administer a grant program for oil and gas impacts."

HB118 is by Ankney and has nothing to do with O&G, do you suppose he vetoed HB218?

From: [Dave](#)
To: [Richmond, Tom](#)
Subject: RE: Veto?
Date: Tuesday, May 07, 2013 9:37:05 AM
Attachments: [image001.png](#)

218...not a pretty scene at the moment.

David A. Galt
Executive Director
Montana Petroleum Assn.
P.O. Box 1186
25 Neill Ave. Suite 202
Helena, MT 59624
(406) 442-7582 Office
(406) 443-7291 Fax
(406) 461-1314 Mobil



From: Richmond, Tom [mailto:trichmond@mt.gov]
Sent: Tuesday, May 07, 2013 9:22 AM
To: Dave
Subject: Veto?

From today's IR:

--HB118, by Rep. Duane Ankney, R-Colstrip, which would have required the state Board of Oil and Gas Conservation to administer a grant program for oil and gas impacts."

HB118 is by Ankney and has nothing to do with O&G, do you suppose he vetoed HB218?

From: Richmond, Tom
To: ["Linda Nelson"; "Jack King"; "Bret Smelser"](#)
Cc: [Perrigo, Terri](#)
Subject: veto letter for HB218
Date: Tuesday, May 07, 2013 9:41:00 AM
Attachments: [House Bill 218 veto.pdf](#)

From: [Jack King](#)
To: [Richmond, Tom](#); [Linda Nelson](#)
Subject: RE: veto letter for HB218
Date: Tuesday, May 07, 2013 9:52:05 AM

Very curious and very contrarian.

From: Richmond, Tom [mailto:trichmond@mt.gov]
Sent: Tuesday, May 07, 2013 9:41 AM
To: Linda Nelson; Jack King; 'Bret Smelser'
Cc: Perrigo, Terri
Subject: veto letter for HB218

From: [Linda Nelson](#)
To: [Richmond, Tom](#)
Subject: RE: veto letter for HB218
Date: Tuesday, May 07, 2013 2:43:01 PM

Well, at least there's something left for infrastructure needs.

From: Richmond, Tom [mailto:trichmond@mt.gov]
Sent: Tuesday, May 07, 2013 9:41 AM
To: Linda Nelson; Jack King; 'Bret Smelser'
Cc: Perrigo, Terri
Subject: veto letter for HB218